

July 1974



DIGEST

THE CO-OPERATIVE FEDERATION
OF AUSTRALIA

THE CO-OPERATIVE FEDERATION OF AUSTRALIA

- Is a federation for all types of co-operatives throughout Australia.
- Is affiliated with the International Co-operative Alliance.
- Among its objects are:

TO promote the development of co-operative enterprise in all forms in Australia by giving counsel and providing regular opportunities for mutual discussion of co-operative ambitions and problems.

TO advance the claims of co-operative enterprise for adequate, and where necessary protective, legislation and to foster among government and commercial administrative authorities an intelligent understanding of co-operative aims and principles.

TO foster unity within the co-operative movement in Australia.

TO compile reliable statistics of co-operative activity in Australia regarding membership, business turnover resources, co-operative distribution, and any other details indicating its strength and progress.

TO maintain liaison with international co-operative organisations and to exchange information of mutual advantage in aiding the extension of co-operation.

Members are:

The Co-operative Federation of Queensland; The Co-operative Federation of New South Wales; The Co-operative Federation of Victoria; The Co-operative Federation of Western Australia; The Murray River Wholesale Co-operative Society, South Australia; The Wine and Brandy Co-operative Producers' Association of Australia.

Associate members are:

The Australian Federation of Credit Union Leagues; The Australian Producers' Wholesale Co-operative, Victoria; The Co-operative Insurance Company of Australia; The Eudunda Farmers' Co-operative Society, South Australia; The Newcastle & District Co-operative Society, New South Wales.

CO-OP DIGEST

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Editor
J. Lawrence

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\$1 per year.*

CO-OP COMMENT

AN AUSTRALIAN Co-operatives National Convention will be held at Canberra Rex Hotel, Canberra, from Friday, October 4, to Sunday, October 6, this year.

This is a follow-up to the successful convention held in Canberra in August last year.

If your co-operative has not yet registered any delegates, you are invited to give early attention to doing so. As wide a representation as possible is desired.

Last year's convention gave rise to present moves to establish a co-operative federation secretariat in Canberra and to numerous actions. Among them were:

OBTAINED agreement of the Australian Government to set up a section within the Department of Primary Industry for Farmer Co-operative Services.

AGREED to establish a co-operative centre in and to transfer its secretariat to Canberra.

PROCEEDED, in conjunction with three other countries, to establish a Co-operative Trading Exchange in Singapore.

MADE Submissions to the Australian Government on the Trade Practices Bill 1973 and on desirable improvements in the Rural Credit facilities.

WITH the Australian Federation of Credit Union Leagues nominated a joint delegate to represent both organisations in London at an international conference concerned with thrift and loan societies.

This year's convention will hear and discuss papers on: Rural and urban credit; co-operative marketing; government policies towards co-operatives; consumerism and the role of co-operatives; co-operative housing.

AUSTRALIAN co-operatives have an excellent opportunity of proving their faith in co-operatives by supporting a proposal to establish a co-operative service centre in Canberra.

The Council of the Co-operative Federation of Australia, acting on a request from last year's national co-operative convention, has proposed that such a centre be established in October, 1974, provided adequate financial support is promised for the first two years from co-operatives throughout Australia.

Naturally, the financing of the project will depend on strong support from some of the larger co-operatives. Some excellent promises are to hand and it is hoped sufficient support will be forthcoming from other co-operatives.

Commonsense would say the centre is necessary in the interests of gaining a unity of strength.

However, some larger co-operatives may be reluctant to offer financial support because they think they are doing all right on their own.

Some smaller ones may be cautious about supporting a service centre in Canberra which they consider too remote from them.

A close look at the various objectives and proposed services of the centre should cause any co-operative, big or small or specialised, to find some good reasons for supporting the proposal.

Co-op centre needs your support

In its brochure about the proposed centre, the CFA Council starts by saying that the federation stands for:

THE promotion and sound development of all forms of co-operative enterprise throughout Australia.

THE promotion of the highest standards of co-operative business efficiency acting in the best interests of all co-operative members and the community.

THE creation of a better awareness in the community of the application of co-

Continued next page.

operative principles in the Australian social and economic areas.

IMPROVED communication between Australian Governments and the co-operative movement in all its diverse areas of activity.

A CONTINUOUS watch on legislative matters proposed or current which could affect co-operatives.

The brochure then states: "Your Canberra Co-operative Centre will be positioned to assist Australian co-operatives with co-ordinating, consultative, advisory services in co-operative . . .

Relations with government, strategy and development, taxation, marketing, primary production and processing, credit systems, education, publicity, accounting knowledge for co-operatives, consumerism, housing, pro-

grammes for the underprivileged, international co-operative liaison and contacts, contacts with other organisations.

That is followed by setting out further functions under each of those headings.

The brochure emphasises that in the setting up of a services centre care will be taken to maintain the independence of local and state co-operative organisations and to assist them in gaining strength.

Financial support, for instance, should be made through a co-operative's state federation.

Any co-operative which has not received a brochure could obtain one either from its State Federation or from the Co-operative Federation of Australia, 569 Wellington St, Perth, W.A. 6000.



STILL GROWING STRONG

The Victorian Credit Co-operative Association information circular gives the following information on growth of credit unions in that State:

	March 1973	March 1974	Annual rate of increase
Number of members	80,000	110,000	38%
Number of non-members ..	28,300	34,000	21%
Deposits per account	\$382 (\$'000s)	\$444 (\$'000s)	16%
Total deposits	\$41,700	\$64,000	53%
Total loans	\$40,000	\$63,000	58%

MALAYSIA HOST TO CONSUMER SEMINAR



● Bill Rawlinson . . . impressed by high standard.

A CONFERENCE of South-East Asian consumer co-operatives will be held on October 23-25 at Hotel Jayapuri, Petaling Jaya (Kuala Lumpur), Malaysia.

Subjects to be considered include:

- The role of consumer co-operatives in consumer protection with special reference to the rise in the cost of living.
- The structure of co-operatives at the retail level.
- Production, importation and wholesaling for supporting consumer co-operatives and for international co-operative trade.

Any co-operative sending a representative would be responsible for paying travel and accommodation costs plus a registration fee of \$US10.

Registration date has closed but if any co-operative was interested in making a late registration it could inquire direct from The Co-operative Union of Malaysia, 29 Leboh Ampang, Kuala Lumpur.


CFA secretary Bill Rawlinson recently visited some consumer co-operative stores in Singapore and Malaysia and reports that he is most impressed with the very high standard of display, lay-out and services.

Mr Rawlinson says these stores have been developed as a result of concentrated training and studies within the Swedish consumer movement.

Briefly . . .

Mr. TOM Kelly reports that the NSW Credit Union League has conducted a series of regional conferences in Sydney and in country areas.

Delegates who attended the conferences held at Hurstville on the Illawarra Line, discussed the Government's proposed Financial Corporations Bill and recommended two methods of increasing League Share Capital, based on the membership of individual credit unions.


LEON Magree completed a two-year term as manager of Papua New Guinea Savings and Loan Society and returned to Melbourne in April this year.

Leon is now manager of Waverley Credit Co-operative Ltd. at Mt. Waverley in Melbourne.

CONGRATULATIONS to Harry E. Delves, who was awarded the British Empire Medal in this year's Queen's Birthday Honors List.

Mr Delves, a horticultural farmer at Hanwood (NSW), has given long and loyal service to the co-operative movement.

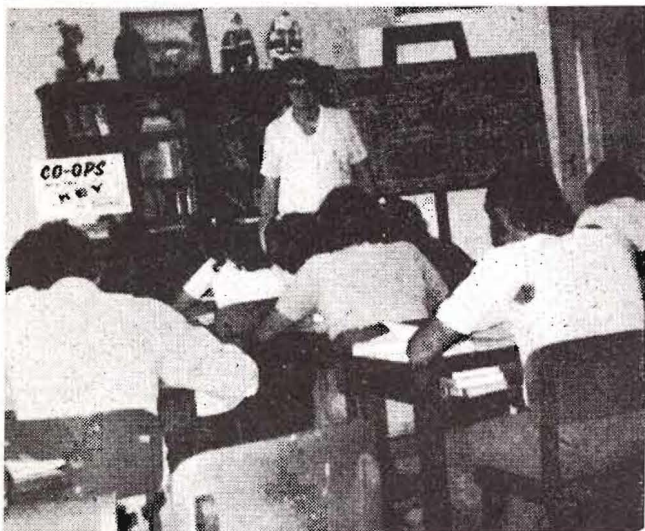
He was appointed to the Griffith Co-operative Board in 1949 and has been chairman since 1960.

Mr Delves is a shareholder of the Leeton Co-operative Cannery, the Griffith Co-operative Cannery, the Ricegrowers' Co-operative and the Farmers and Graziers' Co-operative.

Since 1958 he has been the local representative on the NSW Dried Fruit Board and the Australian Dried Fruits Association.



Mr B. Clarke, recently retired vice-president of the Australian Federation of Credit Union Leagues, represented the Co-operative Federation of Australia and AFCUL at the international conference on thrift and credit co-operatives held in London in June.



MILI MILI, the journal of Co-operative for Aborigines Ltd., Sydney, reported that the co-operative course at the Co-operative College Tranby in Sydney is now an approved course accepted under the Aboriginal Study Grant Scheme.

This breakthrough means that aborigines within the Commonwealth who want to be trained specially in co-operative and community techniques can apply through the Aboriginal Study Grant Scheme.

Apart from its full-time courses, Tranby College conducts an annual summer school on co-operatives for aborigines. The school in February this year was the 16th.

Tranby approved

The Co-operative for Aborigines Ltd in its statement of aims and objectives expresses its belief in:

THE primacy of the individual.

SOCIAL reform must come through education.

EDUCATION must begin with the economic.

EFFECTIVE social reform involves fundamental changes in social and economic institutions — and the ultimate objective is a full and abundant life for everyone in the community.

Murray wins big Mexican contract

Murray Goulburn Co-operative Co. Ltd. has signed a major skimmed milk powder export contract with the Mexican government purchasing agency, Compania Nacional de Subsistencias Populares (CONASUPO), which sets new Australian records both in quantity and price.

The sale is the result of a recent visit to Mexico City by Murray Goulburn managing director Mr J. J. McGuire and export manager Mr H. A. Nederveen.

The sale is the largest Australian dairy product sale to Mexico, the largest single Australian skimmed milk powder sale to any Central or South American nation, and the highest-priced export sale of skim powder in the history of the Australian dairy industry.

Total value of the sale in 1974-75 is expected to be at least \$9m to \$10m, with Murray Goulburn Co-operative's share being at least \$6m to \$7m at current prices.



ICA STATISTICS

The International Co-operative Alliance now has affiliated organisations in 62 countries. The summary of statistics received to date relates to 60 countries, with 630,717 societies and 305,186,391 members.

Type of Society	Number of Societies	Number of Members
Consumer	66,218	124,804,643
Credit	278,252	90,540,215
Agricultural	165,282	55,848,679
Miscellaneous	24,347	18,991,622
Housing	45,884	8,133,207
Productive	38,959	5,035,693
Fishery	11,775	1,832,332
	<hr/> 630,717	<hr/> 305,186,391

Total annual turnover of trade: £78,272,177,000.

Co-ops mean big business in Europe...

BY the year 2000, says Helge Lundberg, marketing in Western Europe will be dominated by three or four retail giants.

One of them, he hopes, will be a massive co-operative society.

Mr Lundberg, international director for Sweden's union of co-ops, was in Newcastle in March to look over Newcastle and District Co-operative Store's operations, as part of a world tour.

Last year, store executives Mr R. O. Wright and Mr J. L. Gunn met Mr Lundberg during a tour of Swedish and British co-operatives and found him "tremendously helpful".

According to the general manager, Mr C. D. Williamson, the local co-op was only too pleased to reciprocate.

"At the moment, the biggest co-operative movement in the world outside Communist countries, is in Scandinavia," Mr Lundberg said.

"In Sweden, co-operatives have 20 to 30 per cent of the consumer market, thanks to our strong spirit of co-operation and a government that does not want private business to dominate the scene.

"As the boundaries in Europe fade away, the multinational retailers will get bigger and we shall have to match them."

The main purpose of co-operatives, Mr Lundberg said, was to promote and protect the interests of co-op members to the benefit of all consumers.

"Consumerism in itself is very idealistic but cannot be fully successful unless it enters business.

"One way to guarantee good products is to sell the best products yourself.

"Because we have such a large share in Sweden, big business has to keep up with our high standards — so we fulfil our aims even in competition."

— Newcastle Herald.

HIGH INTEREST A STRAIN

DURING March and April, the NSW Minister for Housing and Co-operative Societies (Mr McGinty) toured country areas in his state.

Mr McGinty said he was deeply perturbed at the severe strain placed on rural and trading co-operatives societies by the high interest rates that these vital community institutions had to pay for bank or bridging finance to meet operational costs and payments to suppliers prior to the marketing of their products.

Certain food packaging co-operatives, Mr McGinty said, each year had to pay high interest rates for periods of up to nine months on expensive bank finance in order to maintain activities so that crops when received could be marketed.

He said another instance was the problems facing co-operatives manufacturing milk products.

Some cheese manufacturers were in a difficult position as this product had to be matured for many months before sale and the consequent holding charges made it necessary to obtain high interest loans to meet commitments to suppliers.

This position could continue if the rural and trading co-operatives were to maintain their primary aim of ensuring a high quality product

for general consumption at reasonable costs and giving a fair return to the producer, he said.

"It must be remembered that increased interest rates affecting this segment of our economy can only have the effect of pushing the cost of vital food products to the average person even higher.

"If these self-helping organisations are to continue in the interests of all concerned, it is paramount that the present fiscal policies must change," Mr McGinty said.



The International Trading Company for co-operatives has been registered in Singapore with four national co-operative organisations, including Australia, subscribing to the memorandum.

Australian co-operatives who may be able to use the services of the new trading organisation, for either imports or exports, and who have not yet subscribed for shares, may contact the secretary of the Co-operative Federation of Australia for further information.

Briefly . . .

The Association of Southern Credit Unions held its Autumn Seminar at Campbelltown (NSW) on Saturday, May 4, 1974.

More than 220 credit union and co-operative delegates were present, including two members of the Committee of Management of the Co-operative Federation of NSW — chairman Mr R. J. Woolnough, who is Sydney manager of the Co-operative Insurance Co. of Australia, and Mr Tom Kelly, Credit Union Representative on the Committee.

A guest speaker at the seminar was Mr David Horton, Registrar of Credit Unions, Co-operative Societies, Permanent Building Societies and Friendly Societies. Mr Horton, a barrister, spoke on "The Role of Directors".

The Federal Treasurer, Mr Crean, spoke on the Government's income tax concession to credit unions and the proposed Financial Corporations Bill, particularly as it may affect credit unions. He also spoke on the proposal for an Australian Co-operative Bank.

CREDIT unions welcomed the announcement made by the Federal Treasurer, Mr Crean, at the 9th annual general meeting of the Australian Federation of Credit Union Leagues, held in Hobart on March 29-31, that

credit unions would be exempted from income tax on all income received directly from members.

The Australian Federation of Credit Union Leagues Limited has had prepared a draft Credit Union Act for consideration by states which do not have their own credit union legislation.

The model Act is based on existing New South Wales and proposed Queensland legislation.

NORCO Co-operative technical officer Mr J. McDermott, who studied the New Zealand Dairy Industry in 1973, addressed the 68th Annual Conference of NSW Division of the Australian Institute of Dairy Factory Managers and Secretaries.

Mr McDermott was awarded the "Dairy Manufacturing Travelling Scholarship" that enabled him to study in New Zealand.

The scholarship is awarded bi-annually by the Federal Councils of the Australian Society of Dairy Technology and the AIDFMS.

Mr McDermott has published a booklet on his New Zealand studies. In his address to the conference he gave a resume of his studies of the New Zealand dairy industry.

Canada's Co-ops and Government

Theme of the 1974 annual meeting of the Co-operative Union of Canada, May 1-2, was "Co-operatives and Government".

Through a panel presentation and subsequent discussion, delegates strove to discover means of establishing closer relations with elected representatives at all levels of government.

Emphasis, however, was on the federal level—maybe because the meeting took place in Ottawa. Or, more likely, because co-operation being a national (or world-wide) movement, its members seek a common denominator.

Why all this concern on the part of co-operators to become better acquainted with elected representatives? Is it a sudden concern?

Maybe not sudden, but fairly recent.

The importance of getting the co-operative story across to government was highlighted in 1970 when Bill C-177, "An Act Respecting Co-operative Associations" was under discussion in the House of Commons.

The attempt to achieve federal legislation for co-operatives had a long and puzzling history. It was first introduced in 1906, supported by Alphonse Desjardins,

George Keen, founder of the Co-operative Union of Canada, and no less a personage than Earl Grey, then Governor-General of Canada.

That bill passed the Commons, but failed in the Senate by one vote.

The 1970 bill cleared the final hurdle—Senate approval—on December 17, 1970. Canadian co-operators were jubilant—but they had learned a lesson.

Never again must we sit back and rely on our revered tradition of "political neutrality", with the vague expectation that right would prevail and all be well.

So, when, in June, 1972, Bill C-259, respecting taxation, was introduced, Canadian co-operators rallied as a body to protest the "double taxation" of co-operatives contained in the bill.

The response across Canada was terrific. The Co-operative Union of Canada, and co-operatives, large and small, pitched in to convince members of parliament of the threatened injustices to co-ops.

As a result, many MPs changed their stance. Many admitted that they had not understood the issues, that they knew little or nothing

(Continued on next page)

about co-op principles and goals.

As a result, the bill was amended, providing a new and more equitable basis for the income taxation of co-operatives. The amended bill passed the Senate on December 21, 1972.

(Note the dates: December 17, 1970 and December 21, 1972. Christmas, it seems, is a fortuitous time for co-operators.)

The point is: Neither of these happy events would

have occurred without the strong campaigns of information aimed at legislators by co-operators.

The message at the Co-op Union of Canada annual meeting was: Let us not wait for another crisis: Let us keep our legislators informed of who we are and what we are doing. No more frantic scrabbling for a skin-of-our-teeth redemption.

(The Maritime Co-operator, May 1974.)



NEW MARKETS

The chairman of PDS Australia, Mr. E. G. D. Richardson, told the firm's recent annual general meeting that PDS would enter new markets with new products in 1974-75.

He said PDS would be implementing the second phase of its reorganisation and rationalisation program.

He said several joint ventures have been initiated with Japanese and American companies, in Singapore, Japan and Australia.

Two of these combined activities are already producing profitable results in the dairy product field, and it is hoped that a third venture in a new field will become operative before the end of the current year.

The board has decided to combine the PDS honey-packing facilities in Queensland, New South Wales and Vic-

toria with those of Capilano Apiaries Ltd., thus forming a joint company in which PDS will be a major shareholder, and represented at board level.

The new joint honey company will take maximum advantage of production facilities in each of the three states and will produce both the Allowrie and Capilano brands for the domestic and overseas markets.

PDS Australia will retain control of its marketing and distribution for Allowrie brand honey in the domestic and export fields.

This new development will increase the society's return on honey, greatly strengthen the Allowrie brand market penetration and, as the new joint company will have a bee-keeper shareholding majority, the interest of the primary producer are well protected.

COST OF CO-OP DIGEST: \$1 for three copies per year

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.....
(Secretary)

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